

**KANAB CITY COUNCIL MEETING
MAY 24, 2011
KANE COUNTY DISTRICT COURTROOM**

PRESENT: Mayor Nina Laycook, Council Members Tony Chatterley, Cheryl Brown, James Sorenson, and Ed Meyer, City Manager/Recorder Duane Huffman and City Treasurer RaeLene Johnson. Council Member Steve Mower excused.

Duane Huffman offered the prayer.

WORK MEETING: Mr. Huffman informed the Council on the swimming pool. He said that the east side is two inches lower than the west side. This happened over the winter. We are still in the investigation stage. CEM and Rocky Mountain Contractors will be contacted. Council Member Sorenson asked if the warranty is still in effect. The agenda items were reviewed and discussed.

Mayor opened the regularly scheduled meeting at 7:00 p.m.

APPROVAL OF MINUTES & VOUCHERS: A motion was made by Council Member Brown and 2nd by Council Member Chatterley to approve the minutes of the May 9 and May 10 meetings and the vouchers. Motion passed unanimously. Council Member Mower absent.

PUBLIC HEARING ON FY 2011/2012 GOVERNMENTAL AND ENTERPRISE FUNDS

BUDGET: A motion to go into a public hearing was made by Council Member Chatterley and 2nd by Council Member Sorenson to discuss the FY 2011/2012 budgets. Motion passed unanimously. Council Member Mower absent. Mr. Huffman explained that the City's revenues are starting to stabilize, but the expenditures have also been stabilizing, so they are still higher than the revenues. Next year the City will receive a full year of energy and room tax, so revenues will be a little higher than last years. Building permits will be lower next year because this year a new jail was built and a new Bureau of Land Management office building. Expenditures were a little less because there was not a secretary for the attorney's office for half of the year. The budget showed an increase in volunteer firemen's stipend for fitness center membership to help keep them in shape. The budget also includes some repairs to the animal control shelter. There has been a decrease in fuel sales at the airport because of the price of fuel. Council Member Meyer said that he would agree including in the budget a one time capital improvement project for other recreation such as trails. Council Member Sorenson stated that just because the water and sewer fund looked so well at this time, there still needs to be caution about its use. Mr. Peter Bauer asked the Council what debt the City has and where does the payments for that debt come from. Mr. Huffman said that the City has relatively little debt. Mr. Roger Hoverman asked the Council if the expense of the gasification plant is reflected in the budget. He was told that there would not be any expense to the City for the gasification plant. There could be a little revenue in water collection and taxes. There won't be any need for additional infrastructure for the plant. Everything that is needed will be done by the developer. Mayor thanked Mr. Huffman and the department heads for the work done on the budget. A motion was made by Council Member Sorenson and 2nd by Council Member Chatterley to go out of the Public Hearing. Motion passed

unanimously. Council Member Mower absent.

CONSIDER ADOPTION OF FY 2011/2012 BUDGET: Council Member Meyer stated that he supports the budget as it has been stated. Since the health insurance only increased 2%, he felt the City could pay the full insurance for another year. He has concern over the amount of gym membership for the volunteer firemen. He suggested cutting it back to \$11,000. Council Member Chatterley stated he wanted to leave it as it is. He agrees with the wellness program. Chief Decker said that the majority of the firemen are using the gym at the present time. Council Member Meyer wants a measurement of some sort to see if the firemen are healthier next year because of the gym. A motion was made by Council Member Meyer and 2nd by Council Member Brown to adopt FY 2011/2012 City Governmental and Enterprise Funds Budget with \$20,000 from the bridge fund being transferred to the debt service fund to make the yearly payment and have the revenues match the expenditures by adjusting fund balances. Motion passed unanimously. Council Member Mower absent.

CONSIDER APPROVAL OF RIGHT OF ENTRY AND OCCUPANCY AGREEMENT WITH KANE COUNTY AND UTAH DEPARTMENT OF TRANSPORTATION: It was noted that the County and UDOT are partnering to widen the road north of town at the Hancock Road and Kanab Canyon Road. Keith Robinson, Public Works Director, said that this will make the road much safer. Mr. Steve Kunzler with the Utah Department of Transportation explained that this road has been a safety hazard for a long time. UDOT will be putting in turning lanes. The County has already awarded the bid and UDOT is waiting for this final step before they go out to bid. A motion was made by Council Member Meyer and 2nd by Council Member Sorenson to approve the Right of Entry and Occupancy Agreement between Kanab City and Kane County and Kanab City and UDOT. Motion passed unanimously. Council Member Mower absent.

CONSIDER APPROVAL OF RESOLUTION 5-3-11 R REGARDING THE 650 SOUTH ROAD DEDICATION: Since this was already acted upon at a previous meeting, and the only change is the 650 from 600, a motion was made by Council Member Sorenson to approve Resolution #5-3-11 R which approves 650 South Roadway dedication plat and 2nd by Council Member Chatterley. Motion passed by roll call vote. Council Member Mower absent. The tree issue was discussed. Mr. Huffman said the City has been working with the Mr. & Mrs. Lane Little on the issue of the tree. The fence will be moved, but maybe the tree can be saved.

CONSIDER APPROVAL OF AMENDED PLAT FOR SEDONA VALLEY LOTS 18, 19 AND 20: Mr. Tom Avant addressed the Council. He explained that the owners want to take Lots 18, 19 and 20 in Sedona Valley and make two lots out of the three. The lots will be renumbered to Lot 18a and 20 a. Lot 19 will be eliminated. A motion was made by Council Member Sorenson and 2nd by Council Member Brown to approve the amended plat for Sedona Valley as shown on the plat.. Motion passed unanimously. Council Member Mower absent.

CONSIDER ADOPTION OF A BOND RESOLUTION (5-4-11 R) AUTHORIZING THE ISSUANCE OF \$200,000 IN PARITY STREET IMPROVEMENT REVENUE BONDS, SERIES 2011 OF KANAB CITY, KANE COUNTY, UTAH. KANAB CREEK DRIVE BRIDGE PROJECT: Council Member Meyer made a motion authorizing the issuance of

\$200,000 in parity street improvement revenue bonds, series 2011 for the Kanab Creek Drive bridge project. Motion 2nd by Council Member Chatterley. Motion passed unanimously by roll call vote. Council Member Mower absent. It was noted that the first payment on this interest free loan is January 2012. This loan is backed by Class C Road Funds, but will not use Class C monies unless absolutely necessary.

CONSIDER AN EXTENSION FOR VERMILLION VILLAGE DEVELOPMENT

AGREEMENT: Mr. Huffman recommended granting a another six month extension to Danny Mason with Vermillion Village. Mr. Mason said the PD Overlay should be accomplished within the six months. A motion was made by Council Member Sorenson and 2nd by Council Member Brown granting the Mayor to sign a six-month extension to Vermillion Village on the development agreement. Motion passed unanimously. Council Member Mower absent.

MAYOR'S APPOINTMENTS FROM THE GOVERNING BODY TO THE KANAB

CITY EMPLOYEE APPEALS BOARD: Mayor Laycook appointed the following to serve on the Employee Appeals Board: Mayor Laycook and James Sorenson with Cheryl Brown as an alternate.

A motion to go into Executive Session to discuss litigation and personnel was made by Council Member Chatterley and 2nd by Council Member Brown. Motion passed unanimously. Council Member Mower absent.

A motion to go out of Executive Session was made by Council Member Chatterley and 2nd by Council Member Brown. Motion passed unanimously. Council Member Mower absent.

A motion to adjourn was made by Council Member Sorenson and 2nd by Council Member Brown. Motion passed unanimously. Council Member Mower absent.

MAYOR

NINA LAYCOOK

RECORDER DUANE HUFFMAN